

LOS ANGELES TIMES
3 September 1985

ARTICLE APPEARED
ON PAGE 1

PART I

Differing Laws Bring U.S., England Into Conflict

London Center of Iran Arms Smuggling

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LONDON—The business conducted at 4 Victoria—a modern, heavily guarded office building near Parliament and Westminster Abbey—is done in private, like most business in this center of international commerce. Recently, however, details of many once-secret transactions originating here have shown up in American court records.

In the last 12 months, federal authorities in the United States have indicted 44 persons for export violations stemming from alleged illegal trade with Iran's military—most of it brokered through London.

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EXCERPTED

"The Iranians are all over town trying to make deals. Everyone knows it," said Gerald H. McDevitt, a longtime British trader who was among the 44 persons indicted in the United States during the last year on Iran-related export violation charges. He told The Times that he had been a middleman in a transaction involving parts for F-4 Phantom and F-5 jet fighters but that he had not been aware that the ultimate customer for the parts was Iran.

"I don't want to deal with them," he said. "It's not worth it. But I know people here who are shipping to Iran by the lorry load."

Iran, according to another London trader, is "screaming for . . . defensive equipment," including radar components, TOW anti-tank missiles and anti-aircraft missiles. There is also great demand reported through the London marketplace for U.S.-made Cobra helicopter parts and parts for jet fighters—including the sophisticated F-14.

"Every trader in town knows what they want," said the busi-

nessman, one of several who agreed to talk with a Times reporter on the condition that they would not be identified.

In fact, some arms deals involving Iran stand out as particularly audacious in this otherwise conservative London business community. Brokers tell of seeing billion-dollar "wish lists" for parts and weapons; of attempts by a man claiming to be a former CIA agent to enlist broker help in selling Iran a number of helicopter gunships supposedly smuggled out of Argentina; and of bidding wars between Iran and Iraq over Soviet-built tanks that brokers have been told are available today in China.

"There are arms deals going on here every day," a Western intelligence source in London said. "The arms dealers are here, the brokers are here, the money is here. Nationality makes no difference. You can have Libyans, Israelis, Iranians, Iraqis—all in the same room—making a deal. They're not soldiers—they're businessmen."

However, to get the restricted

arms and military parts out of the United States, the businessmen usually have to associate with, or function as, smugglers—typically disguising either the contents of their shipments or falsely claiming an ultimate destination other than Iran to get the equipment past U.S. Customs inspectors.

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